

TOWNSHIP OF MANCELONA
ANTRIM COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Mancelona Township	County Antrim
Audit Date 3-31-04	Opinion Date 4-22-04	Date Accountant Report Submitted to State: 7-26-04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) Keskine, Cook, Miller, Smith & Alexander LLP			
Street Address 100 West First Street	City Gaylord	State MI	ZIP 49735
Accountant Signature 			

TOWNSHIP OFFICIALS

SUPERVISOR

CHARLES JOHNSON

CLERK

MAURICE McGLEISH

TREASURER

CATHY SUE ROBINSON

TRUSTEES

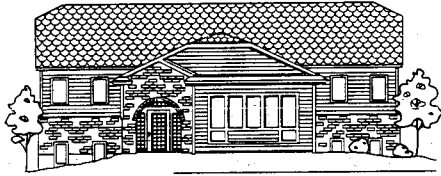
DAN BEAN

MARGARET CHAPMAN

TOWNSHIP OF MANCERLONA

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	I - II
Management's Discussion and Analysis	III - VI
FINANCIAL STATEMENTS	
<u>Government-Wide Financial Statements</u>	
Statement of Net Assets	1
Statement of Activities	2
<u>Fund Financial Statements</u>	
<u>Governmental Funds</u>	
Balance Sheet	3
Reconciliation of the Balance Sheet to the Statement of Net Assets	4
Statement of Revenues, Expenditures and Changes in Fund Balance	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	6
<u>Fiduciary Funds</u>	
Statement of Fiduciary Net Assets	7
Statement of Changes in Fiduciary Net Assets	8
NOTES TO FINANCIAL STATEMENTS	9 - 17
REQUIRED SUPPLEMENTAL INFORMATION	
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	18 -21
Fire Fund	22
Road Fund	23
OTHER SUPPLEMENTAL INFORMATION	
Combining Balance Sheet – Non-Major Funds	24
Combining Statements of Revenues, Expenditures and changes in Fund Balance – Non-Major Funds	25



Keskine, Cook, Miller, Smith & Alexander LLP
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

April 22, 2004

To the Township Board
Township of Mancelona

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Mancelona, Antrim County, Michigan as of and for the year ended March 31, 2004, which collectively comprise the Township's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Township of Mancelona, Antrim County, Michigan as of March 31, 2004, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note B, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments", as of March 31, 2004.

The management's discussion and analysis on pages III - V and budgetary comparison information on pages 18 - 23, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Keskin, Cook, Miller, Smith : Alex, LLP

Keskin, Cook, Miller, Smith & Alexander, LLP

TOWNSHIP OF MANCELONA

TOWNSHIP OF MANCELONA MANAGEMENT'S DISCUSSION & ANALYSIS YEAR ENDED MARCH 31, 2004

This section of the Township of Mancelona's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended March 31, 2004. Please read it in conjunction with the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Township assets at March 31, 2004, as reported in the Statement of Net Assets, totaled approximately \$2,006,000 for governmental activities. Of the total Township assets, approximately \$928,000 represents capital assets net of depreciation.

Overall revenues were approximately \$797,000 (\$187,000 from program revenues and \$610,000 from general revenues). Overall expenses approximated \$656,000.

The Township did not incur any new debt instruments during the year, nor were there any debt service payments. Long-term debt and capital asset activity is addressed further in a subsequent section of this letter.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts, management's discussion & analysis, the basic financial statements, and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the Township.

The first two statements are government-wide financial statements and provide both long and short-term information about our overall financial status. These statements present the governmental activities of the Township. The Township does not engage in any business-type activities.

The remaining statements are fund financial statements, which focus on individual parts of the Township in more detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the Township as a whole using accounting methods used by private companies. The Statement of Net Assets includes all of the entity's assets and liabilities. The Statement of Activities records all of the current year revenues and expenses regardless of when received or paid.

The two government-wide statements report net assets and how they have changed. Net assets are the difference between the Township's assets and liabilities; this is one method to measure the Township's financial health or position.

Over time, increases or decreases in an entity's net assets is an indicator of whether financial position is improving or deteriorating.

To assess overall health of an entity, you may also have to consider additional factors such as tax base changes, facility conditions, and personnel changes.

All of the activities of the Township are reported as governmental activities.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Township's funds, focusing on significant (major) funds, not the Township as a whole. Funds are used to account for specific activities or funding sources. Some funds are required by law or bond covenants. The Township Board also may create them. Funds are established to account for funding and spending of specific financial resources and to show proper expenditure of those resources.

The Township has the following types of funds:

Governmental Funds: All of the Township's activities are included in the governmental fund category. These funds are presented on the modified accrual basis, which is designed to show short-term financial information. You will note that the differences between the Township's government-wide statements and the fund statements are disclosed in reconciling statements to explain the differences between them.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net Assets: The Township's combined net assets increased approximately \$141,000 during the year ended March 31, 2004 totaling \$1,989,769.

The increase is mainly due to conservative fiscal monitoring by the board over virtually all expenditures.

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE (CONTINUED)

Governmental Funds: The fund balances for governmental funds increased approximately \$25,500. This increase is much lower than the "net assets" increase because the major renovation to the Township Hall (\$167,716) is deducted as a capital expenditure in the general fund statement, but capitalized in the statement of net assets.

FINANCIAL ANALYSIS OF THE TOWNSHIP'S FUNDS

General Fund: This fund is used to record all activities of the Township not required to be recorded in a separate fund. This would primarily include township administration, ambulance services, and the costs to operate the township hall. The major sources of revenue for the general fund is from the Township tax base and the revenue sharing from the State of Michigan. The major expenses for this fiscal year include the general operating activities of the Township, in addition to the major improvement to the township hall, and ambulance services.

Fire Fund: The Fire Fund is used to account for all activities related to fire protection services. Revenues are derived primarily from property taxes and contractual services to Custer Township, and totaled \$250,827. Fire expenditures totaled \$167,671, of which \$23,276 was spent on equipment purchases. Other major expenditures include wages, repairs and maintenance and insurance.

Road Fund: The Road Fund is used to account for all activities related to road repair and construction. Revenues are derived from property taxes and totaled \$80,134. Expenditures, totaling \$66,492, were paid to repair and pave Scholl, Korr, and Roberts roads.

The Township has the following non-major funds:

Cemetery, Library, and Liquor Law Enforcement. These funds are primarily supported by program revenues, with some assistance from the general fund. Revenues totaled \$66,927 and expenditures totaled \$82,505, with \$28,337 coming from the general fund.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

Capital Assets: Additions to the Township's capital assets include fire equipment in the amount of \$23,276 and the township hall addition of \$167,716.

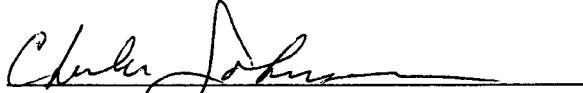
Long-Term Debt: The Township has no long-term debt.

KNOWN FACTORS AFFECTING FUTURE OPERATIONS

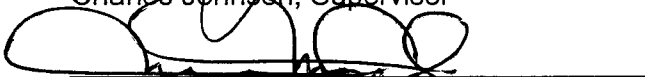
The board, working with the fire chief, has approved the purchase of a new "pumper" fire truck in April of 2004. The cost of the truck is approximately \$320,000, and \$170,000 will be borrowed.

CONTACTING TOWNSHIP MANAGEMENT

This financial report is designed to provide our taxpayers, creditors, investors and customers with a general overview of the Township's finances and to demonstrate the Township's accountability for the revenues it receives. If you have any questions concerning this report please contact Maurice McGleish, Township Clerk or Sue Robinson, Township Treasurer at 202 W. State Street, Mancelona, MI 49659.



Charles Johnson, Supervisor



Maurice McGleish, Township Clerk



Sue Robinson, Township Treasurer

**TOWNSHIP OF MANCELONA
STATEMENTS OF NET ASSETS
MARCH 31, 2004**

ASSETS

Current Assets:	
Cash	\$ 763,654
Investments	167,150
Due from Fiduciary Fund	80,570
Due from County	64,847
Due from Employees - Pension Plan	1,864
	<hr/>
Total Current Assets	1,078,085
	<hr/>
Capital Assets:	
Capital Assets	1,633,582
Less, Accumulated Depreciation	(655,801)
	<hr/>
Total Capital Assets	977,781
	<hr/>
Total Assets	<u><u>2,055,866</u></u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ -
Due to the Ambulance Authority	16,097
	<hr/>
Total Current Liabilities	<u>16,097</u>

NET ASSETS

Investment in Capital Assets	977,781
Net Assets, Unrestricted	1,061,988
	<hr/>
Total Net Assets	<u><u>\$ 2,039,769</u></u>

See accompanying notes to the financial statements

TOWNSHIP OF MANCERONA
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2004

		<u>P R O G R A M R E V E N U E S</u>			<u>NET (EXPENSE)</u> <u>REVENUE AND CHANGE</u> <u>IN NET ASSETS</u>
		<u>CHARGES FOR</u> <u>SERVICES</u>	<u>OPERATING</u> <u>GRANTS AND</u> <u>CONTRI-</u> <u>BUTIONS</u>	<u>CAPITAL</u> <u>GRANTS AND</u> <u>CONTRI-</u> <u>BUTIONS</u>	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>
<u>EXPENSES</u>					
GOVERNMENTAL ACTIVITIES:					
Township Administration	\$ (178,591)	\$ -	17,118	\$ -	(161,473)
Assessing	(35,116)				(35,116)
Buildings and Grounds	(47,756)				(47,756)
Ambulance Services	(39,953)				(39,953)
Fire Protection	(202,947)	99,521	7,549		(95,877)
Road Construction	(66,492)				(66,492)
Library	(47,065)	660	26,960		(19,445)
Cemetery	(29,604)	33,841			4,237
Liquor Law	(5,836)		1,560		(4,276)
Airport	(2,224)				(2,224)
	(655,584)	134,022	53,187	-	468,375
GENERAL REVENUES					
Property Taxes					336,062
State Shared Revenue					189,882
Property Tax Administration Fee					27,902
Swamp Tax					11,820
Interest on Investments					15,073
Royalties					15,817
Other					13,311
Total General Revenues					609,867
Change in Net Assets					141,492
Net Assets - Beginning of Year					1,898,277
Net Assets - End of Year					2,039,769

See accompanying notes to the financial statements

TOWNSHIP OF MANCERLONA
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2004

	<u>MAJOR GOVERNMENTAL FUNDS</u>			<u>NON-MAJOR GOVERNMENTAL FUNDS</u>	
	<u>GENERAL</u>	<u>FIRE</u>	<u>ROADS</u>	<u>FUNDS</u>	<u>TOTAL</u>
ASSETS					
Cash	\$ 261,294	\$ 356,902	\$ 57,586	\$ 87,872	\$ 763,654
Certificates of Deposit	147,324	-	-	19,826	167,150
Receivables:					
Delinquent Taxes and Fees	24,917	25,955	13,975	-	64,847
Due from Employees - Pension Plan	1,864	-	-	-	1,864
Due From Other Funds	33,496	28,840	18,234	-	80,570
Total Assets	468,895	411,697	89,795	107,698	1,078,085
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	-	-	-	-	-
Due to the Ambulance Authority	16,097	-	-	-	16,097
Total Liabilities	16,097	-	-	-	16,097
Fund Equity:					
Fund Balance:					
Reserved	-	-	-	63,797	63,797
Undesignated, Unreserved	452,798	411,697	89,795	43,901	998,191
Total Fund Equity	452,798	411,697	89,795	107,698	1,061,988
Total Liabilities and Fund Equity	\$ 468,895	\$ 411,697	\$ 89,795	\$ 107,698	\$ 1,078,085

See accompanying notes to the financial statements.

**TOWNSHIP OF MANCERLONA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2004**

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES PER BALANCE SHEET - PAGE 3	\$ 1,061,988
---	---------------------

Amounts reported for governmental activities in the Statement
of Net Assets (Page 1) are different because:

Capital assets used in governmental activities are not financial
resources and therefore not used in the funds.

977,781

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES PER STATEMENT OF NET ASSETS - PAGE 1	\$ 2,039,769
--	---------------------

See accompanying notes to the financial statements

TOWNSHIP OF MANCERLONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2004

	<u>M A J O R F U N D S</u>			<u>NON</u> <u>MAJOR</u> <u>FUNDS</u>	<u>TOTAL</u>
	<u>GENERAL</u>	<u>FIRE</u>	<u>ROADS</u>		
REVENUES					
Local Sources:					
Current Property Taxes	\$ 118,727	\$ 137,201	\$ 80,134	\$ -	\$ 336,062
Charges for Services:					
Custer Township	-	99,521	-	-	99,521
Property Tax Administration	27,902	-	-	-	27,902
Summer Tax Reimbursement	17,118	-	-	-	17,118
Reimbursement - Water Auth.	3,649	-	-	-	3,649
Other:					
Royalties	13,235	-	-	2,582	15,817
Interest and Dividends	11,121	3,385	-	567	15,073
Cemetery Fees	-	-	-	34,598	34,598
Library Sources	-	-	-	22,744	22,744
Miscellaneous	5,734	10,720	-	1,560	18,014
State Sources:					
State Shared	189,882	-	-	4,876	194,758
Swamp Tax	11,820	-	-	-	11,820
Total Revenues	<u>399,188</u>	<u>250,827</u>	<u>80,134</u>	<u>66,927</u>	<u>797,076</u>
EXPENDITURES					
General Government	414,878	-	-	-	414,878
Public Safety:					
Ambulance Service	39,953	-	-	-	39,953
Fire Protection	-	167,671	-	-	167,671
Liquor Law Enforcement	-	-	-	5,836	5,836
Road Construction	-	-	66,492	-	66,492
Cemetery	-	-	-	29,604	29,604
Library	-	-	-	47,065	47,065
Total Expenditures	<u>454,831</u>	<u>167,671</u>	<u>66,492</u>	<u>82,505</u>	<u>771,499</u>
Excess (Deficiency) of Revenues over Expenditures	(55,643)	83,156	13,642	(15,578)	25,577
Transfers In (Out)	<u>(28,337)</u>	<u>-</u>	<u>-</u>	<u>28,337</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(83,980)	83,156	13,642	12,759	25,577
Fund Balance - Beginning of Year	536,778	328,541	76,153	94,939	1,036,411
Fund Balance - End of Year	<u>\$ 452,798</u>	<u>\$ 411,697</u>	<u>\$ 89,795</u>	<u>\$ 107,698</u>	<u>\$ 1,061,988</u>

See accompanying notes to the financial statements

TOWNSHIP OF MANCERLONA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2004

NET CHANGE IN FUND BALANCES-	
TOTAL GOVERNMENTAL FUNDS - PAGE 5	25,577
Amounts reported for governmental activities in the statement of activities (page 3) are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives.	190,992
Depreciation expense, recorded in the statement of activities but not in the governmental fund financial statements.	(75,077)
CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES	
PER THE STATEMENT OF ACTIVITIES - PAGE 2	<u>141,492</u>

See accompanying notes to the financial statements

**TOWNSHIP OF MANCELONA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
MARCH 31, 2004**

ASSETS

Cash	\$ 660,203
------	------------

LIABILITIES

Due to Other Funds	80,570
--------------------	--------

Due to Other Governments	579,633
--------------------------	---------

Total Liabilities	660,203
-------------------	---------

NET ASSETS

Net Assets	\$ -
------------	------

See accompanying notes to the financial statements

**TOWNSHIP OF MANCERLONA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED MARCH 31, 2004**

RECEIPTS:

Property Taxes and Interest	\$ 2,539,292
-----------------------------	--------------

DISBURSEMENTS:

Property Tax and Interest Disbursements	2,539,292
---	-----------

Changes in Fiduciary Net Assets

Fiduciary Net Assets - Beginning of Year

Fiduciary Net Assets - End of Year

	-
	-
	\$ -

See accompanying notes to the financial statements

**TOWNSHIP OF MANCELONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE A: ENTITY

The Township of Mancelona is a General Law Township of the State of Michigan located in Antrim County, Michigan. It operates under an elected board and provides service to its residents in many areas including law enforcement, community enrichment, and human services. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included. Based on these guidelines, there are no other entities which should be considered for inclusion in this report.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INTRODUCTION

The accounting and reporting framework and the more significant accounting principles and practices of the Township of Mancelona are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide explanations including required disclosures of the Township's financial activities.

The accounting policies of the Township of Mancelona conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2003, the Township of Mancelona adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Township's financial statements has shifted from a fund focus to a government-wide focus.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These statements report financial information for the Township as a whole, excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and Township general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. At this time, the Township has no business-type activities.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION
(CONTINUED)**

The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with functional programs. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Township's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included as program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds. The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPES AND MAJOR FUNDS

Governmental Funds

The Township reports the following major governmental funds:

General Fund - This fund is used to account for all financial transactions except those required to be accounted for in another fund. The fund includes the general operating expenditures of the local unit. Revenues are derived primarily from property taxes, State revenue sharing, and other inter-governmental revenues.

Fire Fund - This fund is used to account for all financial transactions related to the Township's fire protection services. Revenues are derived primarily from property taxes and services to Custer Township.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUND TYPES AND MAJOR FUNDS (CONTINUED)

Road Fund – This fund is used to account for all financial transactions related to the Township's road repair/construction. Revenues are derived primarily from property taxes.

The Township reports, in total, the following non-major funds: Cemetery, Library, Liquor Law Enforcement, and Wetzel Lake.

Other Funds

Fiduciary Funds - These funds are used to account for assets held in trust or as an agent for others. Tax collection activities are recorded in this category. Fiduciary activities are not reported in the government-wide financial statements, in accordance with GASB Statement No. 34.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Township are prepared in accordance with generally accepted accounting principles (GAAP). The Township applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Township does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

Government-Wide Financial Statements

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to Township departments. Fiduciary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available.

Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Township considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: sales and use taxes, property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 15; uncollected amounts are subsequently added to the county delinquent tax rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2003, are recorded as revenue in the current year. The Township's taxable value for the 2003 tax year totaled \$82,405,897.

The tax rates for the year ended March 31, 2004, were as follows:

PURPOSE	RATE/ASSESSED VALUATION
General	0.9680 mills per \$1,000
Fire	2.0000 mills special assessment
Roads	0.9875 mills per \$1,000
Ambulance	0.4937 mills per \$1,000

BUDGET

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGET (CONTINUED)

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional and activity basis. The approved budgets of the Township for these budgetary funds were adopted on an activity level. Budgets as adopted end on March 31 of each year. There are no carryover budget items. During the year ended March 31, 2004, no over-expenditures were noted.

CAPITAL ASSETS AND DEPRECIATION

The Township's property, plant, and equipment, with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The Township generally capitalizes assets with historical cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated useful lives, in years, for depreciable assets are as follows:

Buildings	25 - 40
Improvements, other than buildings	10 - 20
Machinery and equipment	5 - 10
Vehicles	5 - 10
Infrastructure	20 - 40

Land, construction in progress, and library books and periodicals are not depreciated.

With respect to asset improvements, costs over \$1,000 should be capitalized if:

1. The estimated life of the asset is extended by more than 25%, or
2. The cost results in an increase in the capacity of the asset, or
3. The efficiency of the asset is increased by more than 10%, or
4. Significantly changes the character of the asset, or
5. In the case of streets and roads, if the work done impacts the "base" structure.
6. Other wise, the cost should be expensed as repair and maintenance.

For information describing capital assets, see Note E.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND DISCOUNTS/PREMIUMS

In the government-wide financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effect of interest method.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles as applicable to governments and, as much, include amounts based on informed estimates and judgements of management with consideration given to materiality. Actual results could differ from those estimates.

NOTE C: CASH AND INVESTMENTS

Cash consists of bank accounts or securities with original maturities of 90 days or less.

All cash deposits are maintained in financial institutions in Northern Michigan. The Township's deposits are categorized to give an indication of the level of risk assumed by the Township at fiscal year-end. The categories are described as follows:

Category 1 – Insured or collateralized with securities held by the Township or by its agent in the Township's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.

Category 3 – Uncollateralized.

	BANK BALANCE	1	CATEGORY 2	3	CARRYING AMOUNT
Major Funds	\$ 684,717	\$ 279,658	\$ -	\$ 405,059	\$ 675,782
Non-Major Funds	87,872	-	-	87,872	87,872
Total	<u>\$ 772,589</u>	<u>\$ 279,658</u>	<u>\$ -</u>	<u>\$ 492,931</u>	<u>\$ 763,654</u>
Trust & Agency	<u>\$ 662,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 662,263</u>	<u>\$ 660,203</u>

TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004

NOTE C: CASH AND INVESTMENTS (CONTINUED)

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's investments are as follows:

- (1) Insured or securities held by the Township or the Township's agent in the Township's name.
- (2) Uninsured with securities held by the counter party's trust department or its agent in the Township's name.
- (3) Uninsured with securities held by the counter party's trust department or agent but not in the Township's name.

	1	CATEGORY 2	3	CARRYING AMOUNT
Major Funds	\$ -	\$ 147,324	\$ -	\$ 147,324
Non Major Funds	-	19,826	-	19,826
	<u>\$ -</u>	<u>\$ 167,150</u>	<u>\$ -</u>	<u>\$ 167,150</u>

NOTE D: DUE FROM/TO OTHER FUNDS

Due From/To Other Funds represents \$80,570 collected in the current tax collection fund that had not been distributed at March 31, 2004, to the various funds as follows:

General Fund	\$ 33,496
Fire Fund	28,840
Road Fund	18,234
	<u>\$ 80,570</u>

NOTE E: CAPITAL ASSETS

	<u>CAPITAL ASSETS NOT DEPRECIATED</u>		<u>CAPITAL ASSETS DEPRECIATED</u>			
	Land & Improv.	Library Books & Periodicals	Buildings	Data Handling Equipment	Vehicles and Equipment	Totals
<i>Governmental Activities</i>						
<i>Capital Assets</i>						
Balance, April 1, 2003	\$ 38,004	\$ 50,000	\$ 465,694	\$ 20,000	\$ 868,892	\$1,442,590
Increases	-	-	167,716	-	23,276	190,992
Decreases	-	-	-	-	-	-
Balance, March 31, 2004	<u>38,004</u>	<u>50,000</u>	<u>633,410</u>	<u>20,000</u>	<u>892,168</u>	<u>1,633,582</u>
<i>Accumulated Depreciation</i>						
Balance, April 1, 2003	-	-	215,420	5,714	359,591	580,725
Increases	-	-	11,274	2,857	60,945	75,076
Decreases	-	-	-	-	-	-
Balance, March 31, 2004	<u>-</u>	<u>-</u>	<u>226,694</u>	<u>8,571</u>	<u>420,536</u>	<u>655,801</u>
<i>Capital Assets, Net</i>	<u>\$ 38,004</u>	<u>\$ 50,000</u>	<u>\$ 406,716</u>	<u>\$ 11,429</u>	<u>\$ 471,632</u>	<u>\$ 977,781</u>

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE E: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Township as follows:

Governmental Activities

Township Administration	\$ 10,857
Buildings and Grounds	5,668
Fire	<u>58,552</u>
Total	<u>\$ 75,077</u>

NOTE F: LONG-TERM DEBT

As of March 31, 2004, the Township had no long-term debt.

NOTE G: RESERVED FUND BALANCE

The Township has reserved fund balance in the amount of \$63,797 related to perpetual care in the Cemetery Fund (a non-major fund).

NOTE H: RETIREMENT PLAN

The Township has a defined contribution pension plan for its employees. Listed below is a summary of the significant plan provisions adopted by Board resolution in February 1969, and as amended in April, 1996.

- A. Eligibility Requirements
 - 1. Attained age of 18 and not more than 75.
 - 2. No minimum service requirement.
 - 3. All employees except volunteer fire fighters and seasonal employees.
- B. Contributions

Schedule contributions are based upon participants compensation: 75% funded by the Township, 25% by the employee. A total of seven percent (7%) of employee compensation is contributed.
- C. Vesting
 - 1. Contributions are vested to the employee immediately upon entering the plan.
- D. Plan Administration
 - 1. The plan is administered by the Township Clerk.

**TOWNSHIP OF MANCERLONA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2004**

NOTE H: RETIREMENT PLAN (CONTINUED)

During the year of audit, the total employer contributions for the year, was \$6,759. Covered payroll for the year was \$124,220. The plan was funded at the required contribution amount. No pension provision changes occurred during the year that affected the required contributions to be made by the Township or its employees.

NOTE I: CONTINGENCIES

INSURANCE

The Township is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omission; injuries to employees; and natural disasters.

The Township participates in the Michigan Township Participating plan, a self insured group. The pool is considered a public entity risk pool. The Township pays annual premiums to the pool for the respective insurance coverage. In the event a pool's total claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the pool's policy year may be subject to special assessment to make up the deficiency. The pool maintains reinsurance for claims for each occurrence with the overall maximum coverage varying depending on the specific type of coverage of reinsurance. The Township has not been informed of any special assessments being required. There were no significant changes in coverage.

TOWNSHIP OF MANCERLONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	\$ 114,200	\$ 114,200	\$ 118,727	\$ 4,527
State Grants:				
State Shared; Sales Income	200,000	200,000	189,882	(10,118)
Swamp Tax	11,800	11,800	11,820	20
Charges for Services:				
Property Tax Administration	28,000	28,000	27,902	(98)
Reimbursement - Water Auth.	5,000	5,000	3,649	(1,351)
Summer Tax Reimbursement	17,000	17,000	17,118	118
Oil/Gas Lease - Airport	8,000	8,000	13,235	5,235
Interest - Dividends	5,000	5,000	11,121	6,121
Miscellaneous	9,800	9,800	5,734	(4,066)
Total Sales Revenue	398,800	398,800	399,188	388
EXPENDITURES				
GENERAL GOVERNMENT				
Township Board:				
Salaries - Trustees	3,090	3,090	3,100	(10)
FICA	240	240	236	4
Insurance	15,000	15,000	13,082	1,918
Spring Clean Up	5,000	8,530	8,530	-
Legal	7,175	7,000	5,422	1,578
Audit	7,500	6,938	5,250	1,688
Dues and Subscriptions	2,000	2,000	1,577	423
Printing	1,800	1,800	2,048	(248)
Street Lights	6,000	6,000	4,986	1,014
Copier Lease	2,175	2,175	2,089	86
Travel/Meals	1,300	1,300	130	1,170
Contingency Fund	16,000	12,062	7,581	4,481
Capital Outlay	14,000	3,900	-	3,900
Miscellaneous	4,500	4,662	2,681	1,981
Total Township Board	85,780	74,697	56,712	17,985
Supervisor:				
Salary	5,677	5,677	5,677	-
Fringes	815	435	434	1
Education	500	500	50	450
Mileage	150	150	46	104
Dues and Subscriptions	225	225	50	175
Total Supervisor	7,367	6,987	6,257	730

TOWNSHIP OF MANCERLONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Election:				
Salaries	2,000	2,000	-	2,000
Supplies	700	344	339	5
Machine Maintenance	500	450	-	450
Travel	150	30	-	30
Miscellaneous	100	26	-	26
Total Election	3,450	2,850	339	2,511
Treasurer:				
Salary - Treasurer	22,880	22,880	22,880	-
Salaries - Deputy and Clerical	11,760	11,760	11,801	(41)
Fringes	4,166	2,574	2,683	(109)
Capital Outlay	1,000	1,000	-	1,000
Miscellaneous	500	500	54	446
Total Treasurer	40,306	38,714	37,418	1,296
Assessor:				
Contractual	35,000	35,000	35,116	(116)
Misc	200	200	-	200
Total Assessor	35,200	35,200	35,116	84
Board of Review:				
Salaries	900	900	660	240
FICA	70	70	51	19
Education	200	200	240	(40)
Travel	250	250	-	250
Miscellaneous	200	150	-	150
Total Board of Review	1,620	1,570	951	619
Clerk:				
Salary - Clerk	16,000	16,000	16,000	-
Clerical Wages	1,040	1,040	1,000	40
Fringes	2,369	1,304	1,173	131
Education	500	500	332	168
Travel	1,000	1,000	208	792
Miscellaneous	300	300	50	250
Total Clerk	21,209	20,144	18,763	1,381

TOWNSHIP OF MANCERLONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
Township Hall:				
Wages	26,148	26,148	26,580	(432)
FICA	3,790	2,001	2,169	(168)
Building Maintenance/Supplies	10,800	10,169	6,039	4,130
Utilities	6,350	6,851	6,950	(99)
Building Improvement	200,000	200,000	167,716	32,284
Capital Outlay	2,000	1,980	-	1,980
Miscellaneous	200	350	350	-
Total Township Hall	249,288	247,499	209,804	37,695
General Administration Costs:				
Twp. Computer Services	20,000	20,000	11,680	8,320
Township Postage	9,000	9,000	7,155	1,845
Health Insurance	26,000	26,000	21,366	4,634
Pension	12,108	12,000	6,759	5,241
Life Insurance	670	670	334	336
Total Gen. Administration Costs	67,778	67,670	47,294	20,376
Airport:				
Insurance	1,700	2,108	2,108	-
Repairs/Utilities	600	600	91	509
Dues and Subs	150	150	25	125
Total Airport	2,450	2,858	2,224	634
TOTAL GENERAL GOVERNMENT	514,448	498,189	414,878	83,311

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
PUBLIC SAFETY				
Ambulance Service	38,400	39,000	39,953	(953)
OTHER FINANCING SOURCES (USES)				
Interfund Transfers	-	(28,337)	(28,337)	-
TOTAL EXPENDITURES AND TRANSFERS	552,848	565,526	483,168	82,358
Excess (Deficiency) of Revenues over Expenditures and Other Uses	(154,048)	(166,726)	(83,980)	82,746
Fund Balance - Beginning of Year	536,778	536,778	536,778	-
Fund Balance - End of Year	\$ 382,730	\$ 370,052	\$ 452,798	\$ 82,746

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FIRE FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	137,000	137,000	137,201	201
Fee from Custer Township	95,000	95,000	99,521	4,521
Interest	-	-	3,385	3,385
Insurance Proceeds	-	-	3,305	3,305
Grant Funding	-	-	4,244	4,244
Miscellaneous	-	-	3,171	3,171
Total Revenues	232,000	232,000	250,827	18,827
EXPENDITURES				
Wages	36,920	36,920	46,002	(9,082)
FICA	2,900	2,900	3,519	(619)
Repairs and Maintenance	54,609	54,609	33,874	20,735
Insurance	15,696	15,696	20,199	(4,503)
Supplies	11,350	11,350	12,449	(1,099)
Utilities	9,850	9,850	11,923	(2,073)
Education Outside	6,000	6,000	6,217	(217)
Gas and Oil	2,200	2,200	3,266	(1,066)
Community Service	2,500	2,500	1,535	965
Snow Removal	2,146	2,146	1,372	774
Physicals	2,000	2,000	1,009	991
Professional Fees	1,200	1,200	1,000	200
Travel	2,500	2,500	667	1,833
Dues and Subs	350	350	626	(276)
Printing/Film Processing	1,200	1,200	472	728
Capital Outlay	92,980	92,980	23,276	69,704
Miscellaneous	1,000	1,000	265	735
Total Expenditures	245,401	245,401	167,671	77,730
Excess (Deficiency) of Revenues Over Expenditures	(13,401)	(13,401)	83,156	96,557
Fund Balance - Beginning of Year	328,541	328,541	328,541	-
Fund Balance - End of Year	315,140	315,140	411,697	96,557

TOWNSHIP OF MANCELONA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
ROAD FUND
YEAR ENDED MARCH 31, 2004

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES				
Property Taxes	79,000	79,000	80,134	(1,134)
Total Revenues	79,000	79,000	80,134	(1,134)
EXPENDITURES				
Road Construction	76,000	76,000	66,492	9,508
Total Expenditures	76,000	76,000	66,492	9,508
Excess (Deficiency) of Revenues Over Expenditures	3,000	3,000	13,642	10,642
Fund Balance - Beginning of Year	76,153	76,153	76,153	-
Fund Balance - End of Year	79,153	79,153	89,795	10,642

**TOWNSHIP OF MANCERLONA
COMBINED BALANCE SHEET
NON MAJOR FUNDS
MARCH 31, 2004**

	<u>CEMETERY</u>	<u>LIBRARY</u>	<u>LIQUOR</u>	<u>WETZEL LAKE</u>	<u>TOTAL</u>
ASSETS					
Cash	\$ 84,856	\$ -	\$ 2,192	\$ 824	\$ 87,872
Certificate of Deposit	19,826	-	-	-	19,826
Total Assets	<u>104,682</u>	<u>-</u>	<u>2,192</u>	<u>824</u>	<u>107,698</u>
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Equity					
Fund balance:					
Undesignated, Unreserved	40,885	-	2,192	824	43,901
Reserved	63,797	-	-	-	63,797
Total Fund balance	<u>104,682</u>	<u>-</u>	<u>2,192</u>	<u>824</u>	<u>107,698</u>
Total Liabilities and Fund Equity	<u>\$ 104,682</u>	<u>\$ -</u>	<u>\$ 2,192</u>	<u>\$ 824</u>	<u>\$ 107,698</u>

TOWNSHIP OF MANCERONA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON MAJOR FUNDS
FOR THE YEAR ENDED 31, 2004

	CEMETERY	LIBRARY	LIQUOR	WETZEL LAKE	TOTAL
REVENUES:					
Grave Openings	\$ 14,571	\$ -	\$ -	\$ -	\$ 14,571
Royalties	2,582	-	-	-	2,582
Lot Sales - Perpetual Care	9,525	-	-	-	9,525
Lot Sales	9,245	-	-	-	9,245
Yearly Maintenance Fee	500	-	-	-	500
Interest Income	567	-	-	-	567
State Aid	-	4,876	-	-	4,876
Penal Fines	-	19,050	-	-	19,050
Donations	-	3,034	-	-	3,034
Liquor License	-	-	1,560	-	1,560
Misc	757	660	-	-	1,417
Total Revenues	37,747	27,620	1,560	-	66,927
EXPENDITURES:					
Wages	22,474	22,846	3,090	-	48,410
Fica	1,697	1,732	236	-	3,665
Books & Tapes	-	9,642	-	-	9,642
Cemetery Costs	5,433	-	-	-	5,433
Library Costs	-	12,845	-	-	12,845
Liquor Law Costs	-	-	2,510	-	2,510
Total Expenditures	29,604	47,065	5,836	-	82,505
Excess (Deficiency) of Revenues over Expenditures	8,143	(19,445)	(4,276)	-	(15,578)
TRANSFERS IN (OUT)	11,000	12,337	5,000	-	28,337
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	19,143	(7,108)	724	-	12,759
Fund Balance - Beginning of Year	85,539	7,108	1,468	824	94,939
Fund Balance - End of Year	\$ 104,682	\$ -	\$ 2,192	\$ 824	\$ 107,698